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CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

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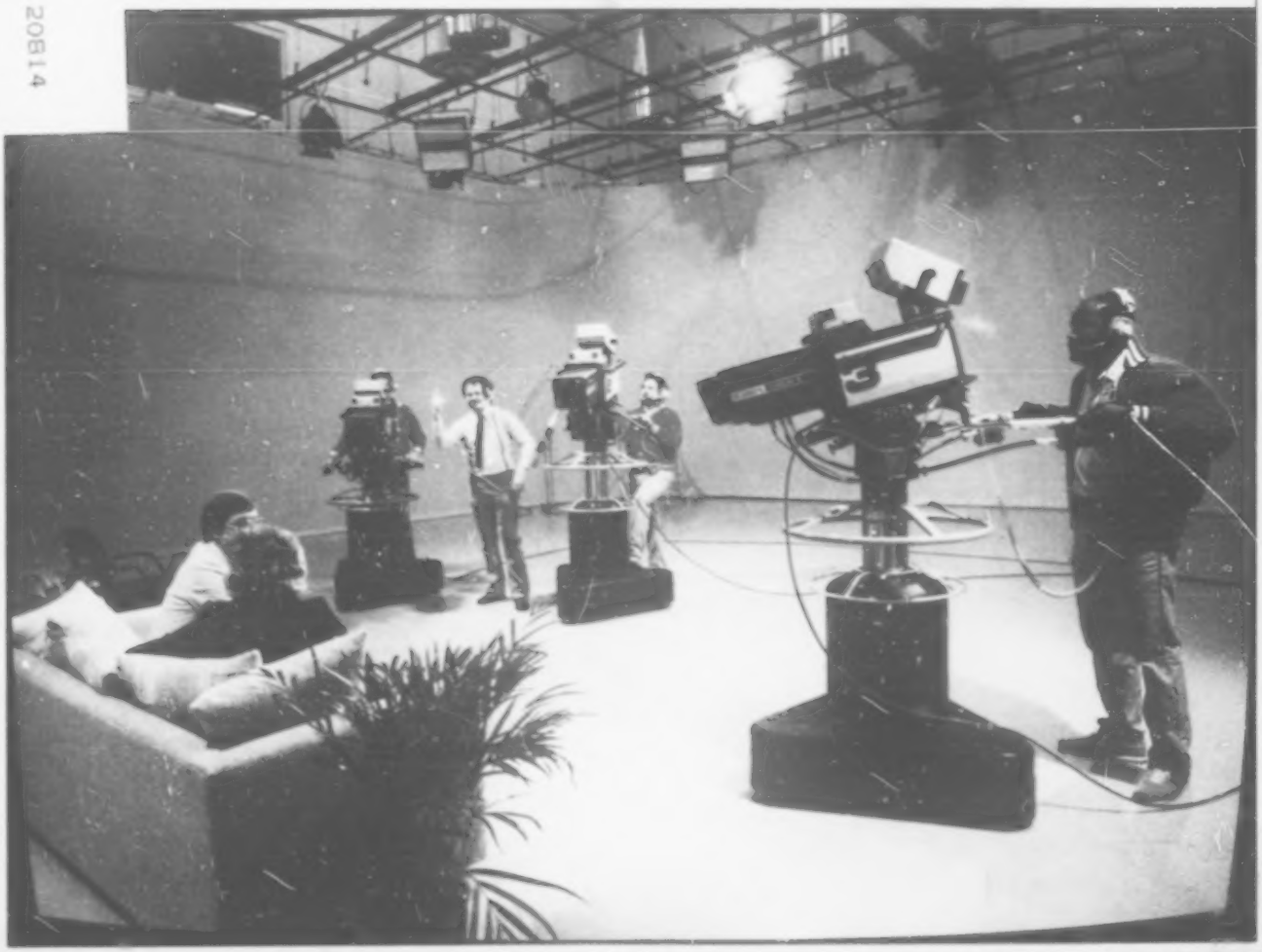
VIACOM CEO FLOATS PAY CHANNEL ADVERTISING CONCEPT

SHOWTIME OFFERS MARKETING INCENTIVE TO DISH DEALERS

ARTHUR LITTLE STUDY AUTHOR CASTS DOUBT ON PROJECTIONS

CNN MOVES TO AUGMENT LOCAL MARKET NEWS COVERAGE

THE PRODUCTION ADVANTAGE: LOCAL AD SALES MADE EASIER



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LEADING THE WEEK

Pay TV ads 11
Viacom International President and CEO Terrence Elkes said his company is studying the feasibility of placing ads on its pay and PPV services.

Rebates offered 11
Showtime The Movie Channel is offering financial rebates to TVRO dealers and cable operators for sales of M/A-COM decoders to backyard dish owners.

Turner, Malone meet 12
TCI President John Malone and Ted Turner held their second round of discussions concerning how to create a cable industry flagship station.

Wrestlemania results 12
Officials are projecting that this year's Wrestlemania II achieved a higher average PPV buy-rate than last year's event.

Attachment rates review 14
The U.S. Supreme Court has been asked to review a lower court's ruling that determined the FCC's authority to set pole attachment rates is unconstitutional.

Playboy, Rainbow split 15
Playboy has ended its four-year cable marketing and distribution arrangement with Rainbow Programming Services.

Solid buy rates 16
Buy rates for scrambled pay and basic services remain solid among TVRO owners even when most programming is available free.

SNG deal 17
Cable News Network will begin marketing a satellite news gathering system to its affiliates to help the channel increase its live news coverage capability.

VCR threat 18
The cable industry's hesitation to effectively deal with the threat VCRs impose throws a shadow of doubt on optimistic predictions made by Arthur D. Little Co. last year, according to an industry strategist.

Not selling 18
Warner Cable has apparently shelved its plans to find a buyer for the company.

TOPICS

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In a guest column, Peter Shapiro, a cable marketing strategist, says the cable industry as a whole lacks a comprehensive approach to effectively deal with the threat posed by VCRs.

Programming 22
MTV officials have hinted that the all-music channel may add a weekly movie to its schedule. Also in Programming, HBO has announced the production of two new pop-soul music specials that will air later this year.

On Demand 30
NYT Cable of Cherry Hill, N.J., continues to experience excellent buy rates for its PPV service without sacrificing its pay TV services.

Law and Regulation 33
New EEO rules call for an annual certification of cable operators by the FCC. Industry officials say effort and documentation are the keys to showing compliance. Also, regulators can still exert control over franchise renewal negotiations despite deregulation, NATOA panelists said.

Business 35
American Cablesystems Inc., one of the nation's fastest-growing privately held cable television companies, has filed for a public offering of debt and equity securities which could raise $120 million.

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Cover Story 24
Cable operators are finding that the expense incurred in building studios and production facilities gives them an opportunity to capitalize on the burgeoning local ad sales by producing commercials in-house. This week's cover photo shows Denver's Mile Hi Cablevision studio "A" — part of the company's production capability.

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next three months.

May

American Flyers (5/21) — Source: Warner Bros.
MPAA Rating: PG-13
Cast: Kevin Costner, Rae Dawn Chong, David Grant, Alexandra Paul
Running Time: 114 mins.

Better Off Dead (5/1) — Source: Warner Bros.
MPAA Rating: PG
Cast: John Cusack, David Ogden Stiers, Diane Franklin, Kim Darby
Running Time: 89 mins.

Black Moon Rising (5/15) — Source: New World
MPAA Rating: R
Cast: Tommy Lee Jones, Robert Vaughn, Bubba Smith
Running Time: 100 mins.

Cocoon (5/1) — Source: 20th Century-Fox
MPAA Rating: PG-13
Cast: Don Ameche, Steve Guttenberg, Maureen Stapleton, Jessica Tandy
Running Time: 117 mins.

Eleni (5/1) — Source: Warner Bros.
MPAA Rating: PG
Cast: Kate Nelligan, John Malkovich, Linda Hunt
Running Time: 118 mins.

Fever Pitch (5/1) — Source: MGM/UA
MPAA Rating: R
Cast: Ryan O'Neal, Catherine Hicks, Chad Everett
Running Time: 95 mins.

The Goonies (5/18) — Source: Warner Bros.
MPAA Rating: PG
Cast: Sean Astin, Josh Brolin, Jeff Cohen, Corey Feldman, Martha Plimpton, Ke Huy Quan
Running Time: 114 mins.

To Live & Die in L.A. (5/1) — Source: MGM/UA
MPAA Rating: R
Cast: William Peterson, Willem Dafoe, John Pankow
Running Time: 116 mins.

Macaroni (5/16) — Source: Paramount
MPAA Rating: R
Cast: Jack Lemmon, Marcello Mastroianni
Running Time: 103 mins.

Pinocchio (5/1) — Source: Disney
MPAA Rating: G
Cast: Animated
Running Time: 88 mins.

Rainbow Brite And The Star Stealer (5/14) — Source: Warner Bros.
MPAA Rating: G
Cast: Animated
Running Time: 90 mins.

Rocky IV (5/22) — Source: United Artists
MPAA Rating: PG
Cast: Sylvester Stallone, Talia Shire, Dolph Lundgren, Carl Weathers
Running Time: 92 mins.

Sesame Street Presents: Follow That Bird (5/14) — Source: Warner Bros.
MPAA Rating: G
Cast: Jim Henson's Sesame Street Muppets
Running Time: 94 mins.

Target (5/1) — Source: Warner Bros.
MPAA Rating: R
Cast: Gene Hackman, Matt Dillon, Gayle Hunnicutt, Josef Sommer
Running Time: 116 mins.

White Nights (5/1) — Source: Columbia
MPAA Rating: PG-13
Cast: Mikhail Baryshnikov, Gregory Hines
Running Time: 135 mins.

June

Beginner's Luck — Source: New World
MPAA Rating: R
Cast: Sam Rush, Riley Steiner, Kate Talbot
Running Time: 85 mins.

House (6/15) — Source: New World
MPAA Rating: R
Cast: William Katt, George Wendt, Richard Moll, Kay Lenz
Running Time: 90 mins.

James Joyce's Women (6/1) — Source: Universal
MPAA Rating: NR
Cast: Fionnula Flanagan
Running Time: 91 mins.

Jewel of the Nile (6/12) — Source: 20th Century-Fox
MPAA Rating: PG
Cast: Michael Douglas, Kathleen Turner, Danny DeVito
Running Time: 105 mins.

Mishima: A Life In Four Chapters (6/18) — Source: Warner Bros.
MPAA Rating: R
Cast: Ken Ogata, Kemi Sawada, Masayuki Shionoya
Running Time: 121 mins.

Murphy's Romance (6/1) — Source: Columbia
MPAA Rating: PG-13
Cast: James Garner, Sally Field
Running Time: 107 mins.

Protector (6/1) — Source: Warner Bros.
MPAA Rating: R
Cast: Jackie Chan, Danny Aiello, Roy Chiao, Victor Arnold
Running Time: 95 mins.

16 Days of Glory (6/3) — Source: Paramount
MPAA Rating: G
Cast: Various 1984 Olympic Athletes
Running Time: 142 mins.

Stooge-mania (6/25) — Source: Paramount
MPAA Rating: PG
Cast: Josh Mostel, Marjorie Courtoff, Nick Cassini, The Three Stooges
Running Time: 85 mins.

That Was Then, This is Now (6/25) — Source: Paramount
MPAA Rating: R
Cast: Emilio Estevez, Craig Sheffer, Kim Delaney
Running Time: 102 mins.

Ultra (6/1) — Source: Universal
MPAA Rating: PG
Cast: Cindy Williams, Harry Dean Stanton
Running Time: 94 mins.

July

Brazil (7/1) — Source: Universal
MPAA Rating: R
Cast: Johnathan Pryce, Robert De Niro, Katherine Helmond
Running Time: 131 mins.

Clan Of The Cave Bear (7/1) — Source: Warner Bros.
MPAA Rating: R
Cast: Daryl Hannah, James Doohan, Pamela Reed
Running Time: 100 mins.

Enemy Mine (7/2) — Source: 20th Century-Fox
MPAA Rating: PG-13
Cast: Louis Gossett Jr., Dennis Quaid
Running Time: 108 mins.

Iron Eagle — Source: Tri-Star
MPAA Rating: PG-13
Cast: Louis Gossett Jr., Jason Gedrick
Running Time: 120 mins.

Marie — Source: MGM/UA
MPAA Rating: PG-13
Cast: Sissy Spacek, Jeff Daniels, Fred Dalton
Running Time: 107 mins.

Note: Running times are approximate.
Film information provided by International Thomson Communications Inc. No. reprint

Franchising calendar

This chart examines the franchise status of communities since April 1986.

California

Cerritos—request for proposals issued.
Chino—award to Marsh Media.
Claremont—tentative agreements to award franchise to Masada Corp.
East Yolo—award to Sonic Cable 7/85 (10,000 homes).
La Puente—award to United Cable 11/28/84 (8,600 homes).
Los Altos—awarded to United Cable 12/84 (9,000 homes).
Palo Alto—awarded 10/7/85 to Cable Communications Cooperative of Palo Alto.
Rosemead—award to Falcon Communications 2/26/85 (14,000 homes).
South Monrovia—award to Falcon Communications 9/18/85 (6,400 homes).

Delaware

Wilmington—commission's recommendation under review by City Council.

District of Columbia

Washington, D.C.—award to District Cablevision 7/10/84 (254,000 homes).

Illinois

Chicago—Area I award to Communications and Cable (400,000 homes).
Countryside—award to Cablevision of Chicago 6/13/84 (2,200 homes).
Elmwood Park—award to Continental Cable 12/17/84 (9,500 homes).
Naperville—award to Rite Cable Co. of Illinois Limited. Rite Cable of Illinois also awarded unincorporated areas of DuPage County. (17,500 homes).
St. Charles, Geneva—award to Centel 7/2/84 (10,000 homes).
Wheaton—award to Centel 7/2/84 (16,000 homes).
Winnetka—survey showed interest in cable insufficient to warrant franchise.
Woodridge—terminated franchising process (260 homes).

Kentucky

Fulton—award to TCI 12/13/84 (2,400 homes).
Loretto—terminated franchise process.
New Haven—award to First PIC.

Maryland

Baltimore—award to United Cable 12/19/84 (302,000 homes).

Missouri

St. Louis—award to STL Cablevision Partners Inc. (75% of city) and St. Louis City Communications (25% of city) 4/11/84 (178,000 homes).

New York

Mt. Upton—terminated franchise process.
North Salem—award to Community Cable Services 12/84 (1,100 homes).
Portland—cable committee formed to begin franchise process. Tribune Cable, Harborview and U.S. Cable sent letters expressing interest (150 homes).

North Carolina

Davie County—award to Summit Cable.
Jackson—award to Cable East (400 homes).

Ohio

Avon—award to Space Cable of Ohio 4/84 (2,000 homes).
Cleveland—franchise awarded to Northcoast Cable 7/85.
Oberlin—preliminary award to Oberlin Cable Co-op 6/6/84 (2,600 homes).

Oregon

Dunthorpe—no response to RFP.
Sylvan—awaiting additional legal opinions.

Pennsylvania

Philadelphia—city is divided into four areas. Area I award to Greater Philadelphia Cablevision. Area II award to Wade Communications; Area III award to Rollins; Area IV award to Comcast 11/84 (each area: 155,000 homes).

Rhode Island

Naval Education and Training Center—accepting proposals (2,900 homes).
Newport (Area 7 includes Middletown, Portsmouth, Tiverton, Little Compton) —Bellevue Cablevision Inc. awarded franchise. (29,500 homes).

Virginia

Manassas—negotiating with Cablevision of Manassas.

Washington

Battle Ground—new ordinance drafted. Soliciting interest from operators.
Seattle—city is divided into four parts. Group W, Viacom and Seattle Community Cablevision serve overlapping sections of three parts; part IV is beginning franchising process.

Source: International Thomson Communications Inc.

Franchising in the top 50 markets

Rank	Market	Status of core city
1	New York	Manhattan: 2 OP; more franchises pending (FP)
2	Los Angeles	City is divided into 3 areas (A, B and C). OP—A, B
3	Chicago	City is divided into three areas: Area I (I), Area II (II) OP; Area (V, V-E)
4	Philadelphia	City is divided into four areas: Areas I, II, III, IV, IV-
5	San Francisco	OP—systems to be operated
6	Boston	OP
7	Detroit	PO
8	Washington, D.C.	PO
9	Cleveland	PO
10	Dallas/Ft. Worth	Two systems OP
11	Houston	Two systems OP
12	Pittsburgh	OP
13	Miami	OP
14	Seattle-Tacoma	City is divided into two parts: A (OP) and B (PO). Tacoma OP
15	Minneapolis-St. Paul	OP, PO
16	Atlanta	OP
17	St. Louis	OP, PO
18	Tampa-St. Petersburg	OP, PO
19	Denver	OP
20	Baltimore	PO
21	San Francisco-Oakland	OP, PO
	Stockton	

Rank	Market	Status of core city
22	Indianapolis	Two systems OP
23	Portland	Three systems OP
24	Phoenix	Three systems OP
25	Hartford-New Haven	Two systems OP
26	Cincinnati	OP
27	San Diego	Two systems OP
28	Kansas City	OP
29	Milwaukee	OP
30	Nashville	OP
31	Charlotte	OP
32	Buffalo	OP
33	Providence-New Bedford	OP, FP
34	Orlando-Daytona Beach	Two systems OP
35	New Orleans	OP
36	Memphis	OP
37	Columbus	Four systems OP
38	Greenville-Asheville-Spartanburg	Three systems OP
39	Grand Rapids-Kalamazoo-Battle Creek	Three systems OP
40	Birmingham	OP
41	Raleigh-Durham	Two systems OP
42	Oklahoma City	Two systems OP
43	Louisville	Two systems OP
44	Salt Lake City	OP
45	San Antonio	OP

Rank	Market	Status of core city
46	Charleston-Huntington	Two systems OP
47	Norfolk-Newport News-Newport News-Hampton-Portsmouth	Four systems OP
48	Harrisburg-York-Lebanon-Lancaster	Four systems OP
49	Wilkes-Barre-Scranton	Two systems OP
50	Albany-Schenectady-Troy	Three systems OP

Legend

OP — open city
UC — under construction
FG — franchise granted
FP — franchise pending
PS — proposal submitted
RFP — request for proposals issued
RFPP — request for proposals pending
AO — franchising authority not permitted
BP — beginning process

Source: International Thomson Communications Inc.